



Speech by

Hon. R. GIBBS

MEMBER FOR BUNDAMBA

Hansard 18 August 1999

TAB PRIVATISATION

Hon. R. J. GIBBS (Bundamba—ALP) (Minister for Tourism, Sport and Racing) (6.22 p.m.): I have great pleasure in seconding the amendment moved by the Premier. What a group of hypocrites those opposite are to come in here tonight and move this sort of motion. This comes from the same group of people who were responsible for sponsoring somebody such as "Top Level Ted" Lyons, the National Party trustee and chairman of the TAB, who was credit betting at the Holland Park branch of the TAB some years ago. At the same time, he was the chairman and investor of funds from the Queensland TAB into Rothwells Bank, which went broke and cost hundreds of thousands of Australians their life savings. He is ably backed up, of course, by the current Chairman of the Queensland Turf Club, Mr Peter Gallagher, who was up to his eyeballs in the whole lot at that time. Of course, we do not have to remind the House of Kaldeal, Joh Bjelke-Petersen's slush fund. God knows what went into it and where it came from.

I take up what the Premier said in relation to Bird himself. It is absolutely beyond doubt that Bird cannot play a role on the board of the TAB at any time when it could be perceived that there could be any conflict of interest. The rules apply in exactly the same way as they apply to a Cabinet Minister. If a Minister is sitting in Cabinet and a matter comes before it about which that Minister believes there is a conflict because he or she has an interest, he or she must declare it and leave the room. Nothing changes because this fellow happens to be on the board of the TAB.

This debate tonight shows an alarming paucity of knowledge by the Opposition of how this whole process works. I will explain to the House exactly what is going to take place. In relation to the TAB float, the financial advisers to the Government, ABN AMRO, have recommended that the pricing of TAB shares be by way of institutional book build. This type of pricing mechanism was used for the Telstra and the New South Wales TAB floats and is now commonly used for IPOs, especially where there is a new company issuing shares for the first time and there are no securities of the company already trading in the market.

Simply, book build means that institutional investors bid competitively on the basis of both price and quantity for a limited pool of shares. In this way, a competitive market process determines the price to be paid for shares by the institutional investors. The member for Moggill knows as well as anybody else that there are institutional investors in this State, and probably interstate, who are interested in acquiring shareholdings in the Queensland TAB. The institutional shareholders make Labor Holdings look like a pygmy in the forest in terms of its financial muscle.

It is folly, stupidity and foolhardiness to come into this Parliament and even dare to suggest that Labor Holdings, if it were to be in the marketplace at any time for shares but which it now cannot be, is capable of influencing the issue price of the shares. Is the member for Moggill really trying to convince members in this Parliament and the people of Queensland that such a minuscule company is capable of that kind of influence? He has to be kidding. It is no wonder he was considered a joke in his former occupation as a Federal parliamentarian. I hate to say it, but he is a poor little man who is striving for some recognition and making an absolute botched job of it. In a properly structured and managed book build process, Labor Holdings or any other investor would be unable to secure any form of advantage.

I will talk about the TAB. I have here a letter from former TAB chairman Bob Templeton, who wrote to his former Minister. He said—

"Any attempt to license multiple operators will pre-empt the findings of the current investigation into the future of the TAB, and deliver a significant blow to the Government's interests in realising some value from these licences by incorporating them in the possible sale of the TAB."

He was referring to the poker machines. The member for Moggill still stands condemned by the people of this State and the racing industry as the man who effectively wiped \$200m off the top of the worth of the TAB when it goes to sale. He is an economic dunce.

Time expired.
